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THE HAMILTON HARBOUR COMMISSIONERS

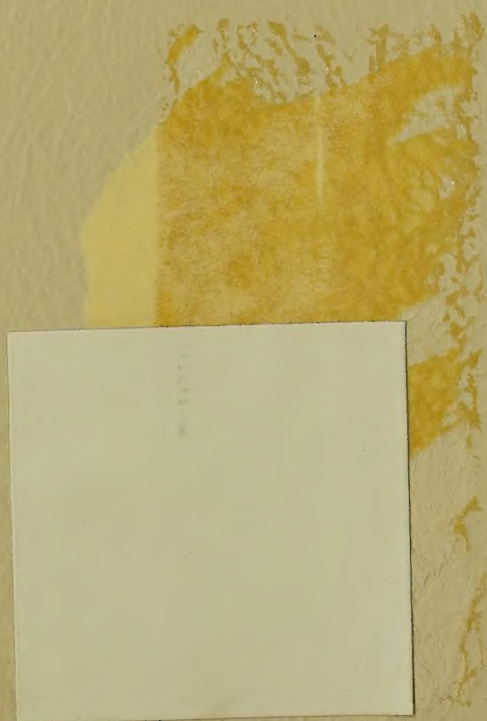
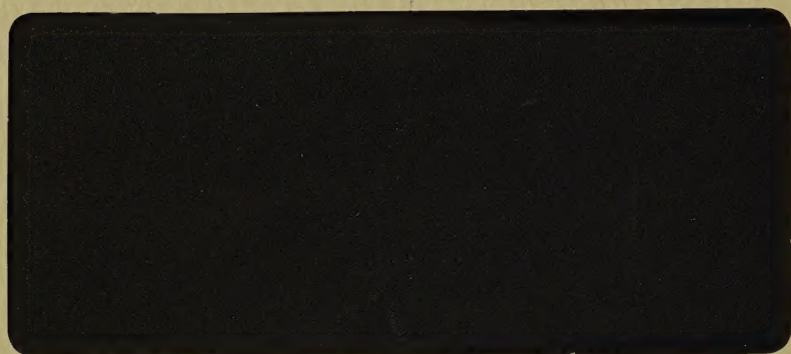
FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1984



Spicer MacGillivray
Chartered Accountants

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THE HAMILTON HARBOUR COMMISSIONERS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1984

The above financial statements represent the financial statements of the Hamilton Harbour Commissioners for the year ended December 31, 1984 and were prepared in accordance with the provisions of the Financial Accounting Act, R.S.C. (1985), Chapter F-2. The financial statements were prepared in accordance with the provisions of the Financial Accounting Act, R.S.C. (1985), Chapter F-2, and the Financial Accounting Regulations, C.R.C. (1985), Chapter 1180. The financial statements were prepared in accordance with the provisions of the Financial Accounting Act, R.S.C. (1985), Chapter F-2, and the Financial Accounting Regulations, C.R.C. (1985), Chapter 1180.

In our opinion, these financial statements present fairly the financial position of the Hamilton Harbour Commissioners as at December 31, 1984 and the results of their operations and the changes in net assets for the year ended December 31, 1984 in accordance with the provisions of the Financial Accounting Act, R.S.C. (1985), Chapter F-2, and the Financial Accounting Regulations, C.R.C. (1985), Chapter 1180.

Spicer MacGillivray

Chartered Accountants



Spicer MacGillivray

Chartered Accountants

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AUDITORS' REPORT

To the Hamilton
Harbour Commissioners

We have examined the balance sheet of The Hamilton Harbour Commissioners as at December 31, 1984 and the statements of revenue and expenses, general capital and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Hamilton Harbour Commissioners as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

March 21, 1985.

Spicer MacGillivray

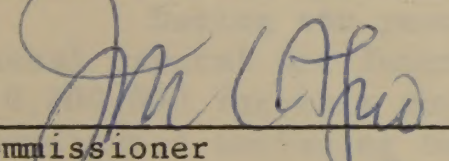
CHARTERED ACCOUNTANTS.

THE HAMILTON HARBOUR COMMISSIONERS
BALANCE SHEET
AS AT DECEMBER 31, 1984
(with comparative figures for 1983)

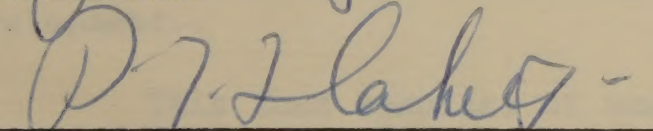
A S S E T S

	1984	1983
CURRENT		
Cash	\$ 147,211	\$ -
Accounts receivable	2,181,362	782,509
Accrued interest receivable	719,596	420,544
Inventory	78,299	75,139
Prepaid expenses	43,771	45,971
	<u>3,170,239</u>	<u>1,324,163</u>
 INVESTMENTS APPROPRIATED FOR FUTURE HARBOUR IMPROVEMENTS (note 3)	 <u>10,200,000</u>	 <u>9,200,000</u>
 FIXED		
Land, docks and harbour improvements	24,895,354	24,869,066
Buildings	5,846,756	5,814,249
Equipment and vessels	4,164,621	4,158,631
	<u>34,906,731</u>	<u>34,841,946</u>
Less accumulated depreciation	<u>15,740,373</u>	<u>14,743,266</u>
	<u>19,166,358</u>	<u>20,098,680</u>
 CAPITAL DEVELOPMENT IN PROGRESS	 <u>6,710,957</u>	 <u>3,722,971</u>
	<u>25,877,315</u>	<u>23,821,651</u>
	<u>\$ 39,247,554</u>	<u>\$ 34,345,814</u>

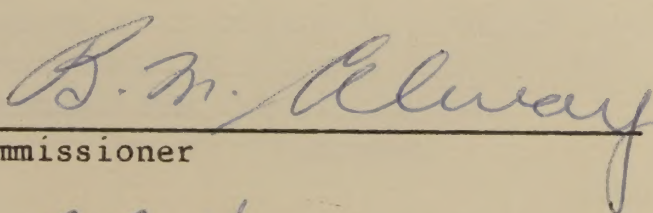
APPROVED BY THE COMMISSIONERS AND PORT DIRECTOR



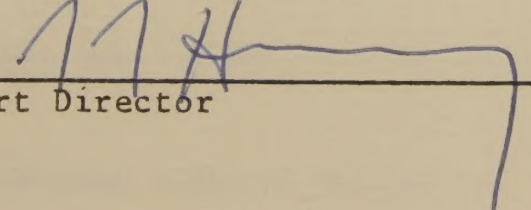
Commissioner



Commissioner



Commissioner



Port Director

L I A B I L I T I E S

	1984	1983
CURRENT		
Bank indebtedness	\$ -	\$ 18,474
Accounts payable and accrued liabilities	1,723,413	397,267
Current portion of long-term debt	199,845	191,496
	<u>1,923,258</u>	<u>607,237</u>
 LONG-TERM (note 5)		
Debentures payable -		
Government of Canada, 4-1/8%, to be redeemed before the year 2005	775,000	825,000
Loan payable -		
Government of Canada, due December 31, 1987, semi-annual instalments of blended principal and interest		
at 5-9/16%	192,368	262,232
at 6-1/16%	198,905	270,536
	<u>1,166,273</u>	<u>1,357,768</u>
Less current portion shown above	<u>199,845</u>	<u>191,496</u>
	<u>966,428</u>	<u>1,166,272</u>
 TOTAL LIABILITIES	 <u>2,889,686</u>	 <u>1,773,509</u>

C A P I T A L

GENERAL CAPITAL	26,157,868	23,372,305
 ALLOCATION FOR FUTURE HARBOUR IMPROVEMENTS (note 3)	 <u>10,200,000</u>	 <u>9,200,000</u>
	<u>36,357,868</u>	<u>32,572,305</u>
	<u>\$ 39,247,554</u>	<u>\$ 34,345,814</u>

THE HAMILTON HARBOUR COMMISSIONERS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1984

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue and expenses are accounted for on the accrual basis.

(b) Fixed Assets and Depreciation -

Fixed assets are recorded at acquisition cost.

Depreciation is provided on a straight-line basis at the following rates:

Docks and improvements	- 2%, 5%, 10%, 20%
Buildings	- 2-1/2%, 5%, 10%, 20%
Vessels and equipment	- 10%, 15%, 20%

(c) Inventory -

Inventory is recorded at actual cost on a first-in, first-out basis.

(d) Grant Recognition -

Capital grants are recorded, when receivable, as an increase in General Capital.

2. CONTINGENT LIABILITY

The City of Hamilton has challenged in the courts the exemption of Hamilton Harbour Commissioners' properties from municipal assessment and taxation, as provided for in the Assessment Act. This action has been successfully defended but is under notice of appeal.

3. APPROPRIATION FOR FUTURE HARBOUR IMPROVEMENTS

During the year, the Commissioners appropriated a further \$ 1,000,000 of general capital for future harbour improvements, resulting in a total reserve of \$ 10,200,000 for this purpose. These funds are intended for future capital expenditures including the development of piers 25, 26 and 27 - Eastport Development.

This fund consists of bank deposit receipts and treasury bills in the amount of \$ 10,200,000.

In 1984, the Commissioners approved a five-year capital budget of \$ 24,500,000.

4. EASTPORT DEVELOPMENT

In 1983 the Commissioners received a commitment from the Federal Government to assist in financing the Eastport Development. An amount of \$ 3,050,000 was received or receivable in 1984 and a further \$ 3,200,000 has been provided in the capital budget, as anticipated grants from this source in future years.

5. LONG-TERM DEBT

The aggregate amount of repayments on the long-term debt due within the next five years is as follows:

1985	-	\$	199,845
1986	-		208,687
1987	-		132,740
1988	-		50,000
1989	-		50,000

THE HAMILTON HARBOUR COMMISSIONERS
 STATEMENT OF GENERAL CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 1984
 (with comparative figures for 1983)

	1984	1983
GENERAL CAPITAL - BEGINNING OF YEAR	\$ 23,372,305	\$ 21,181,463
Add - contributions from tenants	5,515	-
- grants from federal government (note 4)	3,050,076	1,789,568
- excess of revenue over expenses for the year	729,972	4,501,274
	27,157,868	27,472,305
Appropriation for future harbour improvements	1,000,000	4,100,000
GENERAL CAPITAL - END OF YEAR	\$ 26,157,868	\$ 23,372,305

THE HAMILTON HARBOUR COMMISSIONERS
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1984
(with comparative figures for 1983)

	1984		1983
REVENUE			
Harbour operations -			
Cargo rates	\$ 1,090,398		\$ 826,283
Other income	<u>16,635</u>	\$ 1,107,033	<u>19,712</u> \$ 845,995
Terminals -			
Warehousing and handling	1,334,553		808,831
Equipment	140,126		82,293
Other income	<u>9,182</u>	1,483,861	<u>9,075</u> 900,199
Rental income -			
Piers and property	1,397,590		1,248,143
Buildings	216,497		256,820
Rights of way	73,486		65,857
Side wharfage	<u>71,143</u>	1,758,716	<u>84,430</u> 1,655,250
Marine dockyard		837,150	800,880
Sundry income -			
Recovery of prior years' expenses	738		16,968
Profit (loss) on fixed asset disposals	(5,925)		2,400
Interest on deposit receipts	1,053,186		745,291
Interest on savings	21,454		23,555
Other income and interest	<u>7,865</u>	1,077,318	<u>9,657</u> 797,871
TOTAL REVENUE, carried forward		<u>6,264,078</u>	<u>5,000,195</u>

	1984		1983
TOTAL REVENUE, brought forward	\$ 6,264,078		\$ 5,000,195
OPERATING EXPENSES			
Harbour operations -			
Policing, harbour control and marine safety	\$ 752,758	\$ 745,755	
Vessels operations	17,061	33,313	779,068
Terminals -			
Salaries and wages	747,910	640,724	
Equipment operating expenses	146,196	128,070	
I.L.A. hiring hall cost (	6,350)	82,649	
Other operating expenses	174,767	1,062,523	178,735
			1,030,178
Rental expenses -			
Salaries and wages	114,863	112,138	
Realty taxes	49,553	51,227	
Other operating expenses	169,314	333,730	169,505
			332,870
Marine dockyard -			
Salaries and wages	327,435	327,193	
Materials and gasoline	86,093	139,950	
Other operating expenses	188,586	602,114	170,853
			637,996
	2,768,186		2,780,112
Depreciation of docks, buildings and equipment	1,004,030		1,054,409
TOTAL OPERATING EXPENSES	3,772,216		3,834,521
GROSS OPERATING MARGIN, carried forward	2,491,862		1,165,674

	1984	1983
GROSS OPERATING MARGIN, brought forward	\$ 2,491,862	\$ 1,165,674
ADMINISTRATIVE, OFFICE AND GENERAL EXPENSES		
Commissioners' remuneration	\$ 18,000	\$ 18,000
Management and office salaries	413,592	309,347
Office expenses and car allowances	103,608	96,414
Workers' compensation and unemployment insurance	96,915	97,184
Contributions to employees pension, group and medical plans	333,637	325,567
Professional fees	206,513	53,224
Trade development and public relations	96,340	121,095
Engineering department	224,428	215,376
Fire and general insurance	130,749	125,390
Travelling expenses	22,533	28,105
Interest on debentures	33,516	35,578
Interest on long-term loan	28,960	94,847
Bad debt expense	10,138	60,862
Sailing programme (net)	42,961	43,868
	<u>1,761,890</u>	<u>1,624,857</u>
EXCESS OF REVENUE OR (DEFICIENCY) OVER EXPENSES BEFORE EXTRAORDINARY ITEM	729,972	(459,183)
EXTRAORDINARY ITEM		
Gain on sale of land for Twinning of Burlington Skyway Bridge	-	4,960,457
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 729,972</u>	<u>\$ 4,501,274</u>

THE HAMILTON HARBOUR COMMISSIONERS
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 1984
(with comparative figures for 1983)

	<u>1984</u>	<u>1983</u>
WORKING CAPITAL PROVIDED		
Excess of revenue over expenses	\$ 729,972	\$ 4,501,274
Items not affecting working capital in the current year -		
Depreciation	1,004,030	1,054,409
Net (profit) loss on fixed asset disposals	5,925 (	4,962,857)
Total working capital provided from operations	<u>1,739,927</u>	<u>592,826</u>
Proceeds from disposal of fixed assets	1,937	4,975,899
Contributions from tenants	5,517	-
Government grants	<u>3,050,076</u>	<u>1,789,568</u>
	<u>4,797,457</u>	<u>7,358,293</u>
WORKING CAPITAL APPLIED		
Increase in fixed assets	3,067,558	2,247,838
Reduction of long-term liabilities	199,844	1,656,278
Increase in investments appropriated for future harbour improvements	<u>1,000,000</u>	<u>4,100,000</u>
	<u>4,267,402</u>	<u>8,004,116</u>
INCREASE (DECREASE) IN WORKING CAPITAL	530,055 (	645,823)
WORKING CAPITAL AT BEGINNING OF YEAR	<u>716,926</u>	<u>1,362,749</u>
WORKING CAPITAL AT END OF YEAR	<u><u>\$ 1,246,981</u></u>	<u><u>\$ 716,926</u></u>

THE HAMILTON HARBOUR COMMISSIONERS
FIXED ASSETS AND DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 1984

FIXED ASSETS	Cost at Dec.31/83	Additions	Deductions	Cost at Dec.31/84	Accumulated Dep'n at Dec.31/83	Depreciation 1984	Reduction 1984	Accumulated Dep'n at Dec.31/84
LAND, DOCKS AND HARBOUR IMPROVEMENTS								
Harbour land	\$ 2,411,490	\$ -	\$ -	\$ 2,411,490	\$ -	\$ -	\$ -	\$ -
Harbour waterways - Harbour channels	761,050	-	-	761,050	-	-	-	-
Harbour real estate - Water lots	1	-	-	1	-	-	-	-
Water lots	1	-	-	1	-	-	-	-
Sand deposits	1	-	-	1	-	-	-	-
Park area, police basin	17,118	-	-	17,118	-	-	-	-
	17,121	-	-	17,121	-	-	-	-
Wharves, piers and floats - Pier #8, Centennial	1,710,693	-	-	1,710,693	607,939	34,214	-	642,153
Pier #10, Wellington Street	3,122,820	-	-	3,122,820	1,146,489	62,456	-	1,208,945
Pier #11, Victoria Avenue	1,361,037	-	-	1,361,037	489,025	27,220	-	516,245
Pier #12, Emerald Street	6,488,405	-	-	6,488,405	1,006,104	129,768	-	1,135,872
Pier #14, Ship Street	1,855,491	-	-	1,855,491	682,742	37,110	-	719,852
Pier #23, Strathearne Avenue	2,993,004	-	-	2,993,004	1,099,796	59,860	-	1,159,656
Pier #24, Strathearne Avenue	944,866	-	-	944,866	320,131	18,897	-	339,028
Pier #25, Bayside	1	-	-	1	-	-	-	-
Pier #26, Bayside	1	-	-	1	-	-	-	-
Pier #27, Bayside	1	-	-	1	-	-	-	-
Pier #28, Bayside	1	-	-	1	-	-	-	-
Other wharves and marinas	876,123	-	-	876,123	651,582	10,875	-	662,457
	19,352,443	-	-	19,352,443	6,003,808	380,400	-	6,384,208
Equipment - wharves, piers and floats	668,020	-	-	668,020	161,239	59,516	-	220,755
Railway system tracks	209,935	-	-	209,935	165,416	4,101	-	169,517
Roads, parking lots and paved areas	1,203,957	16,311	-	1,220,268	345,220	46,344	-	391,564
Fences	65,075	1,477	-	66,552	46,480	2,511	-	48,991
Improvements - sewers	179,975	8,500	-	188,475	19,381	9,423	-	28,804
TOTAL OF LAND, DOCKS AND IMPROVEMENTS	\$ 24,869,066	\$ 26,288	\$ -	\$ 24,895,354	\$ 6,741,544	\$ 502,295	\$ -	\$ 7,243,839
CAPITAL DEVELOPMENT IN PROGRESS								
Pier 25/27	\$ 3,722,971	\$ 2,987,986	\$ -	\$ 6,710,957	\$ -	\$ -	\$ -	\$ -

FIXED ASSETS	Cost at Dec.31/83	Additions	Deductions	Cost at Dec.31/84	Accumulated Dep'n at Dec.31/83	Depreciation 1984	Reduction 1984	Accumulated Dep'n at Dec.31/84
BUILDINGS								
Permanent sheds -								
Wellington Street Sheds #1 and #2	\$ 296,813	\$ -	\$ -	\$ 296,813	\$ 217,181	\$ 6,901	\$ -	\$ 224,082
Wellington Street Sheds #3 and #4	207,562	-	-	207,562	207,170	-	-	207,170
Wellington Street Shed #8	896,616	-	-	896,616	896,616	-	-	896,616
Centennial Terminal #7	103,616	-	-	103,616	78,737	3,553	-	82,290
Centennial Terminal #5	336,191	32,508	-	368,699	320,134	19,307	-	339,441
Centennial Terminal #6	464,779	-	-	464,779	439,939	9,824	-	449,763
C.S.L. Terminal - Pier #24	1,174,564	-	-	1,174,564	1,002,642	58,728	-	1,061,370
	<u>3,480,141</u>	<u>32,508</u>	<u>-</u>	<u>3,512,649</u>	<u>3,162,419</u>	<u>98,313</u>	<u>-</u>	<u>3,260,732</u>
Other harbour buildings -								
Administration building	1,115,501	-	-	1,115,501	849,604	36,237	-	885,841
Wellington Street office building	299,774	-	-	299,774	299,772	-	-	299,772
Marine garage	105,700	-	-	105,700	97,085	2,840	-	99,925
Aids to navigation building	21,697	-	-	21,697	18,596	1,034	-	19,630
Wentworth Street office building	50,610	-	-	50,610	42,487	2,530	-	45,017
Harbour shops	215,883	-	-	215,883	198,172	7,040	-	205,212
Brewery building	340,297	-	-	340,297	204,388	17,015	-	221,403
Truck terminal	84,951	-	-	84,951	16,990	8,495	-	25,485
Other buildings	96,694	-	-	96,694	63,027	9,127	-	72,154
Pier II - workshop	3,000	-	-	3,000	300	300	-	600
	<u>2,334,107</u>	<u>-</u>	<u>-</u>	<u>2,334,107</u>	<u>1,790,421</u>	<u>84,618</u>	<u>-</u>	<u>1,875,039</u>
TOTAL BUILDINGS	<u>\$ 5,814,248</u>	<u>\$ 32,508</u>	<u>\$ -</u>	<u>\$ 5,846,756</u>	<u>\$ 4,952,840</u>	<u>\$ 182,931</u>	<u>\$ -</u>	<u>\$ 5,135,771</u>

FIXED ASSETS	Cost at Dec.31/83	Additions	Deductions	Cost at Dec.31/84	Accumulated Dep'n at Dec.31/83	Depreciation 1984	Reduction 1984	Accumulated Dep'n at Dec.31/84
VESSELS								
Derrick Barge, Cargo Master	\$ 254,447	\$ -	\$ -	\$ 254,447	\$ 254,447	\$ -	\$ -	\$ 254,447
Ice patrol boat	5,820	-	-	5,820	5,820	-	-	5,820
Patrol boat #5	16,117	-	-	16,117	16,117	-	-	16,117
Pilot boat Judge McCombs	19,354	-	-	19,354	19,354	-	-	19,354
Boston Whaler - Revenge	7,110	-	-	7,110	6,399	711	-	7,110
Sailing programme	73,065	-	-	73,065	25,624	7,306	-	32,930
Boston Whaler - Outrage	13,514	-	-	13,514	10,808	1,351	-	12,159
Air Scoot	15,099	-	-	15,099	6,792	1,132	-	7,924
40 foot cruiser	117,432	-	-	117,432	44,639	11,743	-	56,382
Harbour launch - Bertram	24,591	-	-	24,591	2,459	2,459	-	4,918
	<u>546,549</u>	<u>-</u>	<u>-</u>	<u>546,549</u>	<u>392,459</u>	<u>24,702</u>	<u>-</u>	<u>417,161</u>
EQUIPMENT	<u>78,522</u>	<u>9,142</u>	<u>6,500</u>	<u>81,164</u>	<u>61,093</u>	<u>4,553</u>	<u>1,950</u>	<u>63,696</u>
TOTAL OF VESSELS	<u>\$ 625,071</u>	<u>\$ 9,142</u>	<u>\$ 6,500</u>	<u>\$ 627,713</u>	<u>\$ 453,552</u>	<u>\$ 29,255</u>	<u>\$ 1,950</u>	<u>\$ 480,857</u>
EQUIPMENT								
Harbour	\$ 32,917	\$ -	\$ -	\$ 32,917	\$ 30,549	\$ 854	\$ -	\$ 31,403
Operational	2,996,281	-	-	2,996,281	2,153,382	265,013	-	2,418,395
Sheds	192,867	-	-	192,867	192,865	-	-	192,865
Other buildings	29,742	-	-	29,742	29,474	210	-	29,684
Offices	142,902	9,823	8,286	144,439	90,839	7,806	4,974	93,671
Automotive	96,668	-	-	96,668	61,840	13,021	-	74,861
Miscellaneous	42,183	1,811	-	43,994	36,382	2,645	-	39,027
TOTAL EQUIPMENT	<u>\$ 3,533,560</u>	<u>\$ 11,634</u>	<u>\$ 8,286</u>	<u>\$ 3,536,908</u>	<u>\$ 2,595,331</u>	<u>\$ 289,549</u>	<u>\$ 4,974</u>	<u>\$ 2,879,906</u>
TOTAL OF VESSELS AND EQUIPMENT	<u>\$ 4,158,631</u>	<u>\$ 20,776</u>	<u>\$ 14,786</u>	<u>\$ 4,164,621</u>	<u>\$ 3,048,883</u>	<u>\$ 318,804</u>	<u>\$ 6,924</u>	<u>\$ 3,360,763</u>
TOTAL ALL FIXED ASSETS	<u>\$ 38,564,916</u>	<u>\$ 3,067,558</u>	<u>\$ 14,786</u>	<u>\$ 41,617,688</u>	<u>\$ 14,743,267</u>	<u>\$ 1,004,030</u>	<u>\$ 6,924</u>	<u>\$ 15,740,373</u>

HAMILTON PUBLIC LIBRARY



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